Risk Factors Comparison 2023-11-28 to 2022-11-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following risks and uncertainties could materially adversely affect our business, results of operations, financial condition and cash flows. We may amend or supplement the risk factors described below from time to time in other reports we file with the SEC. Macroeconomic Conditions and Related Risk Factors Changes in production costs, including raw material prices and tariffs, could erode our profit margins and negatively impact operating results. Pricing and availability of raw materials, energy, shipping, labor and other services needed for our business can be volatile due to general economic conditions, including inflation, supplier capacity restraints, geopolitical developments, changes in supply and demand, natural disasters, energy costs, health epidemics or pandemics (including the COVID- 19 pandemic), labor shortages and turnover, production levels, currency fluctuations, governmental actions (including import and export requirements such as new or increased tariffs, sanctions, quotas or trade barriers), port congestions or delays, transport capacity restraints, cybersecurity incidents or other disruptions of key manufacturing sites, acts of terrorism and other factors beyond our control. There is no certainty that we will be able to offset future cost increases. This volatility can significantly affect our production costs and may, therefore, have a material adverse effect on our business, results of operations and financial condition. If such cost pressures persist or exceed our estimates and we are not able to increase the prices of our products or achieve cost savings to offset such cost increases, our operating margins would be harmed. In addition, even if we increase the prices of our products in response to increases in the cost of commodities or other cost increases, we may not be able to sustain its price increases. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers may decide not to pay the higher prices, which could lead to sales declines and loss of market share, and our projections may not accurately predict the volume impact of price increases, which could adversely affect its business, financial condition and results of operations. We may not be able to attract, retain and develop key personnel. Our future performance depends in significant part upon the continued service of our executive officers and other key personnel. The loss of the services of one or more of our executive officers or other key employees could have a material adverse effect on our business, prospects, financial condition and results of operations. Our success also depends on our continuing ability to attract, retain and develop highly qualified personnel. Competition for such personnel is intense, and there can be no assurance that we can retain and motivate our key employees or attract and retain other highly qualified personnel in the future ~~. The COVID- 19 pandemic has affected how we are operating our respective businesses, and the duration and extent to which this will impact our future results of operations remains uncertain. The COVID- 19 pandemic and efforts to control its spread have materially affected how we and our partners and suppliers are operating our businesses. Specifically, we could continue to experience disruptions in our manufacturing and supply chain operations, commodity volatility (cost and availability), and the availability, retention, and cost of the manufacturing labor force. Outside of these potential cost and availability impacts, we could face the risk of changing consumer behavior and category demands driven by COVID- 19 pandemic uncertainty, that could impact our net sales. If we are not able to respond to any changes in operating our business driven by the COVID- 19 pandemic effectively we may experience unfavorable impacts on our operational results. The COVID- 19 pandemic may also heighten other risks described in this Risk Factors section~~. Competition in our industries may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers. The categories in which we operate are largely mature and highly competitive, both in the U. S. and globally, as a number of companies compete for consumer acceptance, limited retail shelf space and e- commerce opportunities. Because of the highly competitive environment in which we operate, as well as increasing retailer concentration, our retailer customers, including online retailers, frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of our margins or losses of distribution to lower cost competitors. Competition is based upon brand perceptions, product performance and innovation, customer service and price. Our ability to compete effectively may be affected by a number of factors, including: • several of our competitors, including The Procter & Gamble Company, Unilever, Johnson & Johnson and others, may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with retailers and suppliers, and other competitors are newer companies backed by private- equity investors with the goal of expanding revenue instead of profitability; • our competitors may have lower production, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives; • our competitors may be able to obtain exclusive distribution rights at particular retailers or favorable in- store placement; • our retailers could reduce inventories, shift to different products, or require us to lower our prices to retain shelf placement of our products; and • we may lose market share to private label brands sold by retail chains, or to price brands sold by local and regional competitors, which, in each case, are typically sold at lower prices than our products. Legal, Regulatory, Tax and Other Risks Our business is subject to increasing global regulation, including product related regulations and environmental regulations, that may expose us to significant liabilities. The manufacturing, packaging, labeling, storage, distribution, advertising and sale of our products are subject to extensive regulation. For example, a number of our products are regulated by health authorities both in the U. S. and in the E. U. (such as the U. S. Food and Drug Administration), and by consumer protection organizations (such as the U. S. Consumer Product Safety Commission). These regulatory frameworks focus on our ingredients as well as the safety and efficacy of our products. Similarly, the advertising and marketing of our products is regulated by agencies such as the U. S. Federal Trade Commission. All of these regulatory frameworks exist at the federal, state and local level in the U. S. as well as in foreign countries where we sell our products. New or more restrictive regulations or more restrictive interpretations of existing regulations are likely and could lead to additional compliance costs and could have an adverse impact on our business. Additionally, a finding that we are in violation of, or not in compliance with, applicable laws or regulations could subject us to material civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardize our reputation and brand image and have a material adverse effect on our businesses, as well as require resources to rebuild our reputation. We must comply with various environmental laws and regulations in the jurisdictions in which we operate, including those relating to the handling and disposal of solid and hazardous wastes and the remediation of contamination associated with the use and disposal of hazardous substances. A release of such substances due to an accident or intentional act could result in substantial liability to governmental authorities or to third parties. Pursuant to certain environmental laws, we could be subject to joint and several strict liability for contamination relating to our or our predecessors' current or former properties or any of their respective third- party waste disposal sites. In addition to potentially significant investigation and remediation costs, any such contamination can give rise to claims from governmental authorities or other third parties for natural resource damage, personal injury, property damage or other liabilities. We have incurred, and will continue to incur, capital and operating expenses and other costs in complying with environmental laws and regulations, including remediation costs relating to our current and former properties and third- party waste disposal sites. As new laws and regulations are introduced, we could become subject to additional environmental liabilities in the future that could cause a material adverse effect on our results of operations or financial condition. Our Company may be named a party to legal proceedings **or may be subject to product liability or other claims** that can result in significant expenses, fines **, product recalls or withdrawals** and reputational damage **, which would affect our results of operations and financial condition** . In the ordinary course of business, the Company and its subsidiaries are subject to numerous claims and lawsuits involving various issues such as patent disputes, **current and historical** product liability claims ~~and~~ **;** claims that our product manufacturing, sales, and marketing practices violate various consumer protection laws both in the ~~United States~~ **U. S.** and internationally **;** ~~. Litigation, in general,~~ and **claims arising out** ~~class action and multi-district litigation, in particular, can be expensive and disruptive. Some~~ of **alleged defects in** ~~these matters may include large numbers of plaintiffs, may involve parties seeking large or~~ **our products** ~~indeterminate amounts~~ , including **property** ~~punitive or exemplary damages~~ - **damage** , **bodily injury** ~~and may remain unresolved for~~ - **or** ~~several years~~ **other adverse effects** . While the Company believes it has substantial defenses in these matters, it is not feasible to predict the ultimate outcome of litigation. The Company could in the future be required to pay significant amounts as a result of settlements or judgments in these matters, including matters where the Company could be held jointly and severally liable among other defendants. ~~Our business involves~~ **In addition to** the ~~potential for~~ **risk of monetary judgments not covered by insurance,** product liability ~~and other~~ claims ~~against us, which~~ could **result in negative publicity that could harm our products' reputation and in certain cases require a product recall. Product recalls or product liability claims, and any subsequent remedial actions, could have a material adverse** ~~affect~~ **effect on** our **business, reputation, brand value,** results of operations and financial condition ~~and result in product recalls or withdrawals~~ . **Litigation,** ~~We face exposure to claims arising out of alleged defects~~ in **general, and class action and multi- district litigation, in particular, can be expensive and disruptive. Some of these matters may include large numbers of plaintiffs, may involve parties seeking large** ~~our~~ - **or** ~~products~~ **indeterminate amounts** , including **punitive or exemplary damages, and may remain unresolved** for **several years** ~~property damage, bodily injury or other adverse effects~~ . ~~We~~ **Although we** maintain product liability insurance, ~~but~~ this insurance does not cover all types of claims, particularly claims other than those involving personal injury or property damage or claims that exceed the amount of insurance coverage. Further, we may not be able to maintain such insurance in sufficient amounts, on desirable terms, or at all, in the future ~~. In addition to the risk of monetary judgments not covered by insurance, product liability claims could result in negative publicity that could harm our products' reputation and in certain cases require a product recall. Product recalls or product liability claims, and any subsequent remedial actions, could have a material adverse effect on our business, reputation, brand value, results of operations and financial condition~~ . Our business could be negatively impacted by corporate citizenship and sustainability matters. There is an increased focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we announce certain initiatives, including goals, regarding our focus areas, which include environmental matters, packaging, responsible sourcing, social investments and diversity, equity and inclusion. We could fail, or be perceived to have failed, in our achievement of such initiatives or goals, or we could fail in accurately reporting our progress on such initiatives and goals. Such failures could be due to changes in our business (e. g., shifts in business among distribution channels or acquisitions). Moreover, the standards by which citizenship and sustainability efforts and related matters are measured are evolving, and certain areas are subject to assumptions which could change over time. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Adverse incidents related to corporate citizenship or sustainability matters could impact the value of our brands, the cost of our operations, and our relationships with existing and future investors, which could have a material adverse effect on our business. If we fail to adequately protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations. The vast majority of our total net sales are from products bearing proprietary trademarks and brand names. In addition, we own or license from third parties a considerable number of patents, patent applications and other technology. We rely on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. There is a risk that we will not be able to obtain and perfect or maintain our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions. In addition, even if such rights are protected in the U. S., the laws of some other countries in which our products are or may be sold do not protect intellectual property rights to the same extent as the laws of the U. S. Our intellectual property rights could be invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions relating to such rights. As patents expire, we could face increased competition or decreased royalties, either of which could negatively impact our operating results. If other parties infringe our intellectual property rights, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands which may harm our sales. Legislative changes in applicable tax laws, policies and regulations or unfavorable resolution of tax matters may result in additional tax liabilities, which could adversely impact our cash flows and results of operations. Our businesses are subject to taxation in the U. S. and multiple foreign jurisdictions. The impact of any legislative tax law, policy or regulation changes by federal, state, local and foreign authorities may result in additional tax liabilities which could adversely impact our cash flows and results of operations. Significant estimation and judgment are required in determining our provisions for taxes in the U. S. and jurisdictions outside the U. S. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. We are regularly under audit by tax authorities, and although we believe our tax positions are defensible and our tax provision estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in our income tax provisions and accruals. The unfavorable resolution of any audits or litigation could have an adverse impact on future operating results and our financial condition. More aggressive and assertive tax collection policies, particularly in jurisdictions outside the U. S., may increase the costs of resolving tax issues and enhance the likelihood that we will have increased tax liabilities going forward. In addition, international tax reform remains a priority with the Organization for Economic Cooperation and Development' s Action Plan on Base Erosion & Profit Shifting and other proposed foreign jurisdictional tax law changes. Given the uncertainty of the possible changes and their potential interdependency, we are unable to determine the net consolidated impact of changes in global tax legislation, if any. Information Technology and Systems A failure of a key information technology system or a breach of our information security could adversely impact our ability to conduct business. We rely extensively on information technology systems in order to conduct business, including some that are managed by third- party service providers. These systems include, but are not limited to, programs and processes relating to internal and external communications, ordering and managing materials from suppliers, converting materials to finished products, shipping products to customers, processing transactions, summarizing and reporting results of operations, and complying with regulatory, legal or tax requirements. These information technology systems could be damaged or cease to function properly due to the poor performance or failure of third- party service providers, catastrophic events, power outages, network outages, failed upgrades or other similar events. If our business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business which may adversely impact our operating results. Periodically, we also need to upgrade our information technology systems or adopt new technologies. If such a new system or technology does not function properly or otherwise exposes us to increased cybersecurity breaches and failures, it could affect our ability to order materials, make and ship orders, and process payments in addition to other operational and information integrity and loss issues. Further, if the information technology systems, networks or service providers we rely upon fail to function properly or cause operational outages or aberrations, or if we or one of our third- party providers suffer significant unavailability of key operations, or inadvertent disclosure of, lack of integrity of, or loss of our sensitive business or stakeholder information, due to any number of causes, ranging from catastrophic events or power outages to improper data handling, security incidents or employee error or malfeasance, and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive, operational, financial and business harm as well as litigation and regulatory action. The costs and operational consequences of responding to the above items and implementing remediation measures could be significant and could adversely impact our results. An information security incident, including a cybersecurity breach, could have a negative impact to the Company' s business or reputation. Our systems and networks, as well as those of our retailer customers, suppliers, service providers, and banks, may become the target of advanced cyber- attacks or information security breaches which will pose a risk to the security of our services, systems, networks and supply chain, as well as to the confidentiality, availability and integrity of data of our Company, employees, customers or consumers, and disrupt our operations or damage our facilities or those of third parties. As cybersecurity threats rapidly evolve in sophistication and become more prevalent across the industry globally, we are continually increasing our attention to these threats. We assess potential threats and vulnerabilities and make investments seeking to address them, including ongoing monitoring and updating of networks and systems, increasing specialized information security skills, deploying employee security training, and updating security policies for our Company and our third- party providers. However, because the techniques, tools and tactics used in cyber- attacks frequently change and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures or fully mitigating harms after such an attack. As a result, a cyber- attack could negatively impact our net sales and increase our operating and capital costs. In addition, our employees frequently access our suppliers' and customers' systems and we may be liable if our employees are the source of any breaches in these third- party systems. It could also damage our reputation with retailer customers and consumers and diminish the strength and reputation of our brands or require us to pay monetary penalties. Business and Operational Risk Factors Loss of any of our principal customers could significantly decrease our sales and profitability. Walmart, together with its subsidiaries, is our largest customer, accounting for approximately ~~22~~ **19. 4** % of our net sales in fiscal ~~2022~~ **2023** . Generally, sales to our top customers are made pursuant to purchase orders and we do not have supply agreements or guarantees of minimum purchases from them. As a result, these customers may decrease their level of purchases from us at any time. The loss or a substantial decrease in the volume of purchases by any of our top customers would harm our sales and profitability. Increasing retailer customer concentration could result in reduced sales outlets for our products, as well as greater negotiating pressures and pricing requirements. Changes in the policies of our retailer customers and increasing dependence on key retailer customers in developed markets may adversely affect our business. In recent years, retailer consolidation both in the U. S. and internationally has increased. This trend has resulted in the increased size and influence of large, highly consolidated retail customers, including internet- based retailers, who may demand lower pricing, special packaging or impose other commercial requirements on us.

These business demands may relate to inventory practices, logistics or other aspects of the customer- supplier relationship. Some of our customers, particularly our high- volume retail customers, have sought to obtain pricing and other concessions and better trade terms. To the extent we provide concessions or better trade terms to those customers, our margins are reduced. Further, if we are unable to effectively respond to the demands of our customers, these customers could reduce their purchases of our products and increase their purchases of products from competitors, which would harm our sales and profitability. In addition, reductions in inventory by our customers, including as a result of consolidations in the retail industry, or our customers managing their working capital requirements, could result in reduced orders for our products and adversely affect our results of operations for the financial periods affected by such reductions. Protracted unfavorable market conditions have caused many of our customers to more critically analyze the number of brands they sell, which could lead to the retailer reducing or discontinuing certain of our product lines, particularly those products that were not number one or two in their category. Our inability to execute a successful e- commerce strategy could have a significant negative impact on our business. Sales of consumer products via e- commerce has gained increasing importance among market participants as more end user customers purchase consumer goods through e- commerce. We are engaged in e- commerce sales channels with respect to many of our products; however, if e- commerce and other sales channels were to take significant market share away from traditional brick and mortar retailers, and if we are not successful in achieving sales growth in these sales channels, our business, financial condition and results of operations may be negatively impacted. We have invested and continue to invest resources into our e- commerce business to maintain competitiveness in the market. There can be no assurances that these investments and initiatives will be successful. We face risks arising from our ongoing efforts to achieve cost savings. In the normal course of business, we may initiate projects which change our manufacturing footprint or our operations in order to gain production efficiencies and reduce costs. The execution of cost savings initiatives may present a number of significant risks, including: • actual or perceived disruption of service or reduction in service standards to customers; • the failure to preserve adequate internal controls as we restructure our general and administrative functions, including our information technology and financial reporting infrastructure; • the failure to preserve supplier relationships and distribution, sales and other important relationships and to resolve conflicts that may arise; • loss of sales as we reduce or eliminate staffing on non- core product lines; • diversion of management attention from ongoing business activities; ~~and~~ • the failure to maintain employee morale and retain key employees while implementing benefit changes and reductions in the workforce ~~.~~ **; and • identification of potential synergies in our manufacturing footprint** Because of these and other factors, we cannot predict whether we will realize the purpose and anticipated benefits of these initiatives and, if we do not, our business and results of operations may be adversely affected. We are subject to risks related to our international operations, including currency fluctuations, which could adversely affect our results of operations. Our businesses are conducted on a worldwide basis, with nearly ~~40~~ **41** % of our net sales in fiscal ~~2022~~ **2023** originating outside the U. S., and a significant portion of our production capacity and cash are located overseas. Consequently, we are subject to a number of risks associated with doing business in foreign countries, including: • sourcing of raw materials from around the world; • reliance on China to source, manufacture, and transport materials and goods; • delays in transportation of goods when shipping globally; • economic conditions impact availability and capacity of key vendors; • the possibility of expropriation, confiscatory taxation or price controls; • the ability to repatriate foreign- based cash effectively for strategic needs in the U. S., as well as the heightened counterparty, internal control and country- specific risks associated with holding cash overseas; • the effect of foreign income taxes, value- added taxes and withholding taxes, including the inability to recover amounts owed to us by a government authority without extended proceedings or at all; • the effect of the U. S. tax treatment of foreign source income and losses, and other restrictions on the flow of capital between countries; • adverse changes in local investment or exchange control regulations; • restrictions on and taxation of international imports and exports; • legal and regulatory constraints, including tariffs and other trade barriers; • currency fluctuations, including the impact of hyper- inflationary conditions, particularly where exchange controls limit or eliminate our ability to convert from local currency; • political or economic instability, government nationalization of business or industries, government corruption and civil unrest, including political or economic instability; and • difficulty in enforcing contractual and intellectual property rights. One or more of these factors could harm our international operations or investments and our operating results. We are currently dependent on third party manufacturers to manufacture certain products for our business. Our business could suffer as a result of a third- party manufacturer' s inability to produce our products for us on time or to our specifications. The inability of a third- party manufacturer to ship orders in a timely manner, in desirable quantities or to meet our safety, quality and social compliance standards or regulatory requirements could have a material adverse impact on our business. While certain of our relationships with these third parties are subject to minimum volume commitments, whereby the third- party manufacturer has committed to produce and we have committed to purchase a minimum quantity of product, we may nonetheless experience situations where such manufacturers are unable to fulfill their obligations under our agreements. Our manufacturing facilities, supply channels or other business operations may be subject to disruption from events beyond our control. Operations of our manufacturing and packaging facilities worldwide, and of our corporate offices, and the methods we use to obtain supplies and to distribute our products, may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruptions in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, licensing requirements and other regulatory issues, trade disputes between countries in which we have operations, and acts of war, terrorism, pandemics, fire, earthquake, hurricanes, flooding or other natural disasters. The supply of our raw materials may be similarly disrupted. There is also a possibility that third- party manufacturers, which produce a significant portion of certain of our products, could discontinue production with little or no advance notice, or experience financial problems or problems with product quality or timeliness of product delivery, resulting in manufacturing delays or disruptions, regulatory sanctions, product liability claims or consumer complaints. If a major disruption were to occur, it could result in delays in shipments of products to customers or suspension of operations. We maintain business interruption insurance to potentially mitigate the impact of business interruption, but such coverage may not be sufficient to offset the financial or reputational impact of an interruption. Loss of reputation of our leading brands or failure of our marketing plans could have an adverse effect on our business. We depend on the continuing reputation and success of our brands, particularly the Schick, Wilkinson Sword, Billie, Edge, Skintimate, Playtex, Wet Ones, Banana Boat, Hawaiian Tropic, Bulldog, Cremo, Jack Black, Stayfree, Carefree and o. b. brands. Our operating results could be adversely affected if one of our leading brands suffers damage to its reputation due to real or perceived quality issues. Further, the success of our brands can suffer if our marketing plans or new product offerings do not improve or have a negative impact on our brands' image or ability to attract and retain consumers. Additionally, if claims made in our marketing campaigns become subject to litigation alleging false advertising, it could damage **one** ~~our~~ - **or several of our** ~~brand~~ **brands** , cause us to alter our marketing plans in ways that may materially and adversely affect sales, or result in the imposition of significant damages against us. Further, a boycott or other campaign critical of us, through social media or otherwise, could negatively impact our brands' reputation and, consequently, our products' sales. Our business is subject to seasonal volatility. Customer orders for sun care products within our Sun and Skin Care segment are highly seasonal, which has historically resulted in higher sun care sales to retailers during the late winter through mid- summer months. Accordingly, our sales, financial performance, working capital requirements and cash flow may experience volatility during these periods. Further, purchases of our sun care products can be significantly impacted by unfavorable weather conditions during the summer period, and as a result we may suffer decreases in net sales if conditions are not favorable for use of our products, which could in turn have a material adverse effect on our financial condition, results of operation and cash flows. Within our Wet Shave segment, sales of women' s products are moderately seasonal, with increased consumer demand in the spring and summer months. Our financial performance depends on our ability to anticipate and respond to consumer trends and changes in consumer preferences. New product introductions may not be as successful as we anticipate, which could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. We have a rigorous process for the continuous development and evaluation of new product concepts, led by executives in marketing, sales, research and development, product development, operations, legal and finance. However, consumer preference and spending patterns change rapidly and cannot be predicted with certainty. There can be no assurance that we will anticipate and respond to trends for consumer products effectively. Each new product launch, including those resulting from our product development process, carries risks, as well as the possibility of unexpected consequences, including: • the acceptance of our new product launches and sales of such new products may not be as high as we anticipate; • our marketing, promotional, advertising and / or pricing strategies for our new products may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired consumption of the products by consumers; • we may incur costs exceeding our expectations as a result of the continued development and launch of new products, including, for example, unanticipated levels of research and development costs, advertising, promotional and / or marketing expenses, sales return expenses or other costs related to launching new products; • we may experience a decrease in sales of certain of our existing products as a result of newly-launched products, the impact of which could be exacerbated by shelf space limitations and / or any shelf space loss; • our product pricing strategies for new product launches may not be accepted by customers and / or consumers, which may result in sales being less than we anticipate; and / or • we may experience a decrease in sales of certain of our products as a result of counterfeit products and / or products sold outside of their intended territories. Each of the risks referred to above could delay or impede our ability to achieve our sales objectives, which could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. Impairment of our goodwill and other intangible assets would result in a reduction in net income. We have a material amount of goodwill, trademarks and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. Declines in our profitability and estimated cash flows related to specific intangible assets, as well as potential changes in market valuations for similar assets and market discount rates, may result in an impairment charge, which could have an adverse impact on our operating results. Our access to capital markets and borrowing capacity could be limited. Our access to capital markets to raise funds through the sale of debt or equity securities is subject to various factors, including general economic and financial market conditions. Significant reduction in market liquidity conditions could impact access to funding and increase associated ~~funding~~ **borrowing** costs, which could reduce our earnings and cash flows. Additionally, disruptions in financial markets could reduce our access to debt and equity capital markets, negatively affecting our ability to implement our business plan and strategy. Our access to debt financing at competitive risk- based interest rates is partly a function of our credit ratings. The major credit rating agencies periodically evaluate our creditworthiness and have assigned us credit ratings. These ratings are based on a number of factors, which include our financial strength and financial policies as well as our strategies, operations and execution. A downgrade to our credit ratings could **have a material impact on our business, including** ~~increase~~ **increasing** our interest rates, ~~limit~~ **limiting** our access to public debt markets, ~~limit~~ **limiting** the institutions willing to provide us credit facilities, ~~result in~~ more restrictive credit arrangements and ~~make~~ **making** any future credit facilities or credit facility amendments more costly and difficult to obtain. We have a substantial level of indebtedness and are subject to various covenants relating to such indebtedness, which could limit our discretion to operate and grow our business. As of September 30, ~~2022~~ **2023** , our debt level was approximately $ 1. 4 billion. We may be required to dedicate a substantial portion of our cash to debt service, thereby reducing funds available to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes. Our failure to make scheduled interest payments or to repay or refinance the indebtedness at maturity or obtain additional financing as needed could have a material adverse effect on our business **. Approximately $ 1. 3 billion (90 %) of our debt balance as of September 30, 2023 is borrowed at fixed interest rates ranging from 4. 125 % to 5. 50 % with maturity dates in 2028 and thereafter** . Additionally, certain of our debt instruments are subject to certain financial and other covenants, including debt ratio tests. We may be in breach of such covenants in the event of future declines in our operating cash flows or earnings performance, foreign currency movements or other events. In the event of such breach, our lenders may be entitled to accelerate the related debt as well as any other debt to which a cross- default provision applies, and we could be required to seek amendments or waivers under the debt instruments or to refinance the debt. There is no assurance that we would obtain such amendments or waivers or effect such refinancing, or that we would be able to do so on terms similar to those of our current debt instruments. The covenants and financial ratio requirements contained in our debt instruments could also: • increase our vulnerability to general adverse economic and industry conditions; • require a substantial portion of our cash flow from operations to make payments on our indebtedness; • reduce the cash flow available or limit our ability to borrow additional funds, to pay dividends, to fund capital expenditures and other corporate purposes and to pursue our business strategies; • limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate; and • place us at a competitive disadvantage relative to our competitors that have greater financial flexibility or limit, among other things, our ability to borrow additional funds as needed or take advantage of business opportunities as they arise. Our Revolving Credit Facility (See Liquidity and Capital Resources for details) contains customary representations and warranties, and affirmative and negative covenants, including limitations on additional indebtedness, dividends, and other distributions, entry into new lines of business, use of loan proceeds, restrictions on liens on the assets of the Company and our subsidiaries, transactions with affiliates and dispositions. The breach of any of these covenants could result in a default under the Revolving Credit Facility **, as defined below** . In addition, the Revolving Credit Facility contains customary events of default that include, among others, non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations and warranties, failure to make payment on, or defaults with respect to, certain other material indebtedness, bankruptcy and insolvency events, material judgments and change of control provisions. Upon the occurrence of an event of default, and after the expiration of any applicable grace period, payment of any outstanding loans under the Revolving Credit Facility could be accelerated and the lenders thereunder could foreclose on their security interests in the assets of the Company and certain of our subsidiaries. We may not be able to continue to identify and complete strategic acquisitions and effectively integrate acquired companies to achieve desired financial benefits. We have completed a number of acquisitions, and we expect to continue making acquisitions if appropriate opportunities arise. Acquisitions could be a key use of our cash and a potential driver of future growth. However, we may not be able to identify and successfully negotiate suitable strategic acquisitions at attractive valuations, obtain financing for future acquisitions on satisfactory terms or otherwise complete future acquisitions. Our ~~reduced~~ size relative to other companies in our industry may make completing desirable acquisitions more challenging. If we can complete future acquisitions, we may face significant challenges in consolidating functions and effectively integrating procedures, personnel, product lines, and operations in a timely and efficient manner. The integration process can be complex and time consuming, may be disruptive to our existing and acquired business and may cause an interruption of, or a loss of momentum in, the business. Even if we can successfully complete the integration of acquired businesses into our operations, there is no assurance that anticipated cost savings, synergies, or revenue enhancements will be realized within the expected time frame, or at all. Such acquisitions may result in potentially dilutive issuances of our equity securities, the incurrence of additional debt, restructuring charges, impairment charges, contingent liabilities, amortization expenses related to intangible assets, and increased operating expenses, which could adversely affect our results of operations and financial condition. We may experience losses or be subject to increased funding and expenses related to our pension plans **. The Company has several defined benefit pension plans covering employees in the U. S. and certain employees in other countries** . The funding obligations for our pension plans are impacted by the performance of the financial markets, interest rates and governmental regulations. While the pension benefit earned to date by active participants under our legacy U. S. pension plan was frozen effective January 1, 2014, and retirement service benefits no longer accrue under this retirement program, **and in 2023, under our Canadian defined benefit pension plan, we derecognized the assets and projected benefit obligation,** our pension obligations are expected to remain significant. If the investment of plan assets does not provide the expected long- term returns, if interest rates or other assumptions change, or if governmental regulations change the timing or amounts of required contributions to the plans, we could be required to make additional pension contributions which may have an adverse impact on our liquidity, our ability to comply with debt covenants and may require recognition of increased expense within our financial statements. **Item 1C. Cybersecurity. Not Applicable.**